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CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 583

Introduced by Assembly Member Hancock

(Principal coauthors: Senators Alquist and Simitian)

(Coauthors: Assembly Members Bass, Berg, Canciamilla, Chan, Evans, Goldberg, Jones, Klehs, Koretz, Laird, Leno, Lieber, Lieu, Montanez, Mullin, Nation, Nava, Oropeza, Pavley, Saldana, Torrico, Wolk, and Yee)

(Coauthors: Senators Alarcon, Bowen, *Chesbro*, Figueroa, Kuehl, Lowenthal, Ortiz, *Speier*, and Torlakson)

February 16, 2005

An act to amend, repeal, and add Section 8040 of the Elections Code, and to add Chapter 12 (commencing with Section 91015) to Title 9 of, and to repeal Section 85300 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 583, as amended, Hancock. Political Reform Act of 1974: California Clean Money and Fair Elections Act of 2006.

(1) Existing law requires a county elections official to provide, upon request of a candidate, a declaration of candidacy, which is required to include specified information.

This bill would, if the Clean Money provisions described below were to be approved by the voters, additionally require the declaration of candidacy to include a statement of the amount of personal funds the candidate intends to use on his or her candidacy for the office.

(2) Under existing law, the Political Reform Act of 1974, a public officer is prohibited from expending or accepting any public moneys for the purpose of seeking elective office.

This bill would repeal that provision and would enact the California Clean Money and Fair Elections Act of 2006, which would authorize eligible candidates, as defined, to obtain public funds according to specified procedures and requirements, provided that certain thresholds are attained. The bill would impose responsibility for the administration of the provisions of the bill on the Fair Political Practices Commission. This bill would create the Clean Money Fund and, commencing with the fiscal year beginning on July 1, 2008, transfer an amount equal to \$0.01 per day times the number of California residents 18 years of age or older from the General Fund to the Clean Money Fund. It would continuously appropriate those moneys in the Clean Money Fund to the Fair Political Practices Commission for the purpose of the public financing provisions of the act. The bill would make funding for the administrative and enforcement costs of the act subject to appropriation by the Legislature.

The bill would add contribution limits that, among other things, limit contributions to a candidate for statewide elective office who does not participate in Clean Money Fund funding.

(3) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act by a statute that becomes effective only when approved by the voters.

This bill would require the Secretary of State to submit those provisions of the act that amend the Political Reform Act of 1974 to the voters for approval at the June 3, 2008, statewide primary election.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 8040 of the Elections Code is amended
to read:
8040. (a) The declaration of candidacy by a candidate shall
be substantially as follows:

DECLARATION OF CANDIDACY

I hereby declare myself a ____ Party candidate for nomination to the office
of ____ District Number ____ to be voted for at the primary election to be
held ____, 20__, and declare the following to be true:

My name is _____.

I want my name and occupational designation to appear on the ballot as
follows: _____.

Addresses:

Residence _____

Business _____

Mailing _____

Telephone numbers: Day ____ Evening ____

Web site: _____

I meet the statutory and constitutional qualifications for this office
(including, but not limited to, citizenship, residency, and party affiliation, if
required).

I am at present an incumbent of the following public office
(if any) ____.

If nominated, I will accept the nomination and not withdraw.

Signature of candidate

State of California)
County of _____) ss.
_____)

Subscribed and sworn to before me this ____ day of ____, 20__.

Notary Public (or other official)

Examined and certified by me this ____ day of ____, 20__.

County Elections Official

WARNING: Every person acting on behalf of a candidate is guilty of a misdemeanor who deliberately fails to file at the proper time and in the proper place any declaration of candidacy in his or her possession which is entitled to be filed under the provisions of the Elections Code Section 18202.

(b) A candidate for a judicial office may not be required to state his or her residential address on the declaration of candidacy. However, in cases where the candidate does not state his or her residential address on the declaration of candidacy, the elections official shall verify whether his or her address is within the appropriate political subdivision and add the notation “verified” where appropriate.

(c) If the provisions of the statutory enactment adding this subdivision that add Chapter 12 (commencing with Section 91015) to Title 9 of the Government Code are approved by the voters at the June 3, 2008, statewide primary election, this section shall become inoperative on June 4, 2008, and as of that date is repealed.

SEC. 2. Section 8040 is added to the Elections Code, to read:

8040. (a) The declaration of candidacy by a candidate shall be substantially as follows:

DECLARATION OF CANDIDACY

I hereby declare myself a ____ Party candidate for nomination to the office of ____ District Number ____ to be voted for at the primary election to be held ____, 20__, and declare the following to be true:

My name is _____.

I want my name and occupational designation to appear on the ballot as follows: _____.

Addresses: _____

Residence _____

Business _____

Mailing _____

Telephone numbers: Day _____ Evening _____

Web site: _____

It is my intent to spend \$_____ of my personal funds on my candidacy for this office.

I meet the statutory and constitutional qualifications for this office (including, but not limited to, citizenship, residency, and party affiliation, if required).

I am at present an incumbent of the following public office (if any) _____.

If nominated, I will accept the nomination and not withdraw.

Signature of candidate

State of California)
County of _____) ss.
_____)

Subscribed and sworn to before me this ____ day of ____, 20__.

Notary Public (or other official)

Examined and certified by me this ____ day of ____, 20__.

County Elections Official

WARNING: Every person acting on behalf of a candidate is guilty of a misdemeanor who deliberately fails to file at the proper time and in the proper place any declaration of candidacy in his or her possession which is entitled to be filed under the provisions of the Elections Code Section 18202.

(b) A candidate for a judicial office may not be required to state his or her residential address on the declaration of candidacy. However, in cases where the candidate does not state his or her residential address on the declaration of candidacy, the elections official shall verify whether his or her address is within the appropriate political subdivision and add the notation “verified” where appropriate.

(c) This section shall be inoperative until June 4, 2008. On that date, it shall become operative only if the provisions of the

1 statutory enactment adding this section that add Chapter 12
2 (commencing with Section 91015) to Title 9 of the Government
3 Code are approved by the voters at the June 3, 2008, statewide
4 primary election. If the voters at that election do not approve the
5 addition of Chapter 12 (commencing with Section 91015) to Title
6 9 of the Government Code as provided in the act that adds this
7 section, this section shall not go into operation and shall be
8 repealed as of June 4, 2008.

9 SEC. 3. Section 85300 of the Government Code is repealed.

10 SEC. 4. Chapter 12 (commencing with Section 91015) is
11 added to Title 9 of the Government Code, to read:

12
13 CHAPTER 12. CALIFORNIA CLEAN MONEY AND FAIR
14 ELECTIONS ACT OF 2006

15
16 Article 1. General

17
18 91015. This chapter shall be known and may be cited as the
19 California Clean Money and Fair Elections Act of 2006.

20 91017. The people find and declare all of the following:

21 (a) The current campaign finance system burdens candidates
22 with the incessant rigors of fundraising and thus decreases the
23 time available to carry out their public responsibilities.

24 (b) The current campaign finance system diminishes the free
25 speech rights of nonwealthy voters and candidates whose voices
26 are drowned out by those who can afford to monopolize the arena
27 of paid political communications.

28 (c) The current campaign finance system fuels the public
29 perception of corruption at worst and conflict of interest at best
30 and undermines public confidence in the democratic process and
31 democratic institutions.

32 (d) The ever-increasing costs of political campaigns in
33 competitive races force most candidates to raise larger and larger
34 percentages of their campaign moneys from interest groups that
35 have a specific financial stake in the outcome of the elections and
36 in matters before our state government.

37 (e) Existing term limits place a greater demand on fundraising
38 for the next election even for elected officials in safe seats.

39 (f) The rapidly increasing amounts of independent
40 expenditures point to a growing trend of special interest groups

1 to funnel funds through independent ~~expenditure committees~~
2 *expenditures* in an effort to skirt the contribution laws.

3 (g) The current campaign finance system undermines the First
4 Amendment right of voters and candidates to be heard in the
5 political process, undermines the First Amendment right of
6 voters to hear all candidates' speech, and undermines the core
7 First Amendment value of open and robust debate in the political
8 process.

9 (h) Because of legislative reapportionment, most legislative
10 campaigns are not competitive and thus candidates do not have to
11 spend huge amounts of money to be elected. However, in
12 competitive elections, costs can exceed one million dollars
13 (\$1,000,000). This law is designed to address both situations by
14 providing smaller amounts of public funds in noncompetitive
15 races and much larger amounts in competitive contests. By doing
16 this, the California Clean Money and Fair Elections Act of 2006
17 saves the taxpayers of California from unnecessarily expending
18 large amounts of public moneys.

19 (i) In states where the clean money and clean election laws
20 have been enacted and used, election results show that more
21 individuals, especially women and minorities, run as candidates;
22 voter turnout increases and overall campaign costs decrease.

23 (j) The current campaign finance system creates a danger of
24 actual corruption by encouraging elected officials to take ~~moneys~~
25 *funds* from private interests that are directly affected by
26 governmental actions.

27 91019. The people enact this chapter to accomplish the
28 following ~~separate but related~~ purposes:

29 (a) To reduce the influence of large contributions on the
30 decisions made by state government.

31 (b) To remove wealth as a major factor affecting whether an
32 individual chooses to become a candidate.

33 (c) To provide a greater diversity of candidates to participate
34 in the electoral process.

35 (d) To reverse the escalating cost of elections that have
36 increased far beyond the increases in the cost of living.

37 (e) To permit candidates to pursue policy issues instead of
38 being preoccupied with fundraising and allow officeholders more
39 time to carry out their official duties.

1 (f) To diminish the danger of actual corruption or the public
2 perception of corruption and strengthen public confidence in the
3 governmental and election processes.

4 (g) To ensure that independent expenditures are not used to
5 evade contribution limits.

6 91021. The people enact this chapter to further accomplish
7 the following ~~separate but~~ related purposes:

8 (a) To foster more equal and meaningful participation in the
9 political process.

10 (b) To provide candidates who participated in the program
11 with sufficient resources with which to communicate with voters.

12 (c) To increase the accountability of each elected official to
13 the constituents who elect him or her, as opposed to the
14 contributors who fund his or her campaigns.

15 (d) To provide voters with timely information regarding the
16 sources of campaign contributions, expenditures, and political
17 advertising.

18
19 Article 2. Applicability to the Political Reform Act of 1974
20

21 91023. Unless specifically superseded by this act, the
22 definitions and provisions of the Political Reform Act of 1974
23 shall govern the interpretation of this chapter.
24

25 Article 3. Definitions
26

27 91025. (a) The contributions of an entity whose contributions
28 are directed and controlled by any individual shall be aggregated
29 with contributions made by that individual and any other entity
30 whose contributions are directed and controlled by the same
31 individual.

32 (b) If two or more entities make contributions that are directed
33 and controlled by a majority of the same persons, the
34 contributions of those entities shall be aggregated.

35 (c) Contributions made by entities that are majority-owned by
36 any person shall be aggregated with the contributions of the
37 majority owner and all other entities majority-owned by that
38 person, unless those entities act independently in their decisions
39 to make contributions.

1 91027. “Coordination” means a payment made for a
2 communication or anything of value that is for the purpose of
3 influencing the outcome of a state election and that is made *by*
4 *any of the following methods*:

5 (a) By a person in cooperation, consultation, or concert with,
6 at the request or suggestion of, or pursuant to a particular
7 understanding with a candidate, a candidate’s controlled
8 committee, or an agent acting on behalf of a candidate or a
9 controlled committee.

10 (b) By a person for the dissemination, distribution, or
11 republication, in whole or in part, of any broadcast or any
12 written, graphic, or other form of campaign material prepared by
13 a candidate, a candidate’s controlled committee, or an agent of a
14 candidate or a controlled committee.

15 (c) Based on specific information about the candidate’s plans,
16 projects, or needs provided to the person making the payment by
17 the candidate or the candidate’s agent who provides the
18 information with a view toward having the payment made.

19 (d) By a person if, in the same primary and general election in
20 which the payment is made, the person making the payment is
21 serving or has served as a member, employee, fundraiser, or
22 agent of the candidate’s controlled committee in an executive or
23 policymaking position.

24 (e) By a person if the person making the payment has served
25 in any formal policy or advisory position with the candidate’s
26 campaign or has participated in strategic or policymaking
27 discussions with the candidate’s campaign relating to the
28 candidate’s pursuit of nomination for election, or election, to a
29 state office, in the same primary and general election as the
30 primary and general election in which the payment is made.

31 (f) By a person if the person making the payment retains the
32 professional services of an individual or person who, in a
33 nonministerial capacity, has provided or is providing
34 campaign-related services in the same election to a candidate
35 who is pursuing the same nomination or election as any of the
36 candidates to whom the communication refers.

37 91029. “Entity” means any person other than an individual.

38 91031. “Excess expenditure amount” means the amount of
39 ~~moneys~~ funds spent or obligated to be spent by a nonparticipating
40 candidate in excess of the Clean Money amount available to a

1 participating candidate running for the same office. If a
2 participating candidate has made the choice specified in
3 subdivision (c) of Section 91097 in an election where there is
4 more than one participating candidate, then the Clean Money
5 amount available to the participating candidate shall be
6 considered to be the actual amount paid by the Clean Money
7 Fund to the candidate for that primary or general election period,
8 including any increase or decrease effected by the choice.

9 91033. "Exploratory period" means the period beginning 18
10 months before the primary election and ending on the last day of
11 the qualifying period. The exploratory period begins before, but
12 extends to the end of, the qualifying period.

13 91035. "General election campaign period" means the period
14 beginning the day after the primary election and ending on the
15 day of the general election.

16 91037. "Independent candidate" means a candidate who does
17 not represent a political party that has been granted ballot status
18 for the general election and who has qualified to be on the
19 general election ballot.

20 91039. "Independent electioneering expenditures" means any
21 expenditure of two thousand five hundred dollars (\$2,500) or
22 more made by a person, party committee, political committee or
23 political action committee, or any entity required to file reports
24 pursuant to Section 84605, during the 45 calendar days before a
25 primary or the 60 calendar days before a general election, which
26 expressly advocates the election or defeat of a clearly identified
27 candidate or names or depicts clearly identified candidates.

28 91041. "Majority-owned" means an ownership of 50 percent
29 or more.

30 91043. "Nonparticipating candidate" means a candidate who
31 is on the ballot but has chosen not to apply for Clean Money
32 campaign funding; *or* a candidate who is on the ballot and has
33 applied but has not satisfied the requirements for receiving Clean
34 Money funding.

35 91045. "Office-qualified party" means a party whose
36 gubernatorial nominee has received 10 percent or more of the
37 votes at the last election or whose candidate for the same office
38 in the same district, whether statewide or legislative, as the
39 current candidate seeking Clean Money funding received 10
40 percent or more of the votes at the last election.

1 91046. "Office-qualified candidate" is a candidate seeking
2 nomination for a state office from an office-qualified party.

3 91047. "One party dominant legislative district" is a district
4 in which the number of registered voters for the party with the
5 highest number of registered voters exceeds the number of
6 registered voters for each of the other parties by an amount no
7 less than 20 percent of the total number of registered voters in the
8 district.

9 91049. "Participating candidate" means a candidate who
10 qualifies for Clean Money campaign funding. These candidates
11 are eligible to receive Clean Money funding during primary and
12 general election campaign periods.

13 91051. "Party candidate" means a candidate who represents a
14 political party that has been granted ballot status and holds a
15 primary election to choose its nominee for the general election.

16 91052. *"Adequately funded candidate" means a candidate*
17 *who is either a qualified candidate, a performance-qualified*
18 *candidate, a nonparticipating candidate who has received*
19 *contributions equaling at least 10 percent of the base funding*
20 *amounts of performance-qualified candidates for that primary or*
21 *general election, or a nonparticipating candidate in the general*
22 *election who was an adequately funded candidate in the primary*
23 *election.*

24 91052.5. *"Effective expenditures" for a nonparticipating*
25 *candidate means the amount spent plus any independent*
26 *expenditures treated as expenditures for that candidate pursuant*
27 *to Section 91095.5. For a participating candidate, it means the*
28 *amount of Clean Money funding the candidate has received plus*
29 *any independent expenditures treated as expenditures for that*
30 *candidate pursuant to Section 91095.5.*

31 91053. "Performance-qualified candidate" means ~~a candidate~~
32 ~~who has either won the primary nomination of an office-qualified~~
33 ~~party or either an office-qualified candidate or a candidate who~~
34 *has shown a broad base of support by gathering twice the number*
35 *of qualifying contributions as is required for an office-qualified*
36 *candidate. Independent candidates may qualify for funding as*
37 *performance-qualified candidates.*

38 91055. "Petty cash" means cash amounts of one hundred
39 dollars (\$100) or less per day that are drawn on the Clean Money

1 Debit Card and used to pay expenses of no more than twenty-five
2 dollars (\$25) each.

3 91057. “Political party committee” means the state central
4 committee or county central committee of an organization that
5 meets the requirements for recognition as a political party
6 pursuant to Section 5100 of the Elections Code.

7 91059. “Primary election campaign period” means the period
8 beginning 120 days before the primary election and ending on
9 the day of the primary election.

10 91061. “Qualified candidate” means a candidate seeking
11 nomination for ~~a~~ *elective* state office from a party that is not an
12 office-qualified party.

13 91063. “Qualifying contribution” means a contribution of
14 five dollars (\$5) that is received during the designated qualifying
15 period by a candidate *for elective state office* seeking to become
16 eligible for Clean Money campaign funding from a registered
17 voter of the district in which the candidate is running for office.

18 91065. “Qualifying period” means the period during which
19 candidates *for elective state office* are permitted to collect
20 qualifying contributions in order to qualify for Clean Money
21 funding. It begins 270 days before the primary election and ends
22 90 days before the day of the primary election for qualified party
23 candidates and begins any time after January 1 of the election
24 year and lasts 180 days but in no event ending later than 90 days
25 before the general election for performance-qualified candidates
26 who are running as independent candidates.

27 91067. “Seed money contribution” means a contribution of
28 no more than one hundred dollars (\$100) made by a California
29 registered voter during the exploratory period.

30 91069. “Small contributor committee” means any committee
31 that meets all of the following criteria:

32 (a) The committee has been in existence for at least six
33 months.

34 (b) The committee has received contributions from 100 or
35 more persons.

36 (c) No one person has contributed to the committee more than
37 two hundred dollars (\$200) per calendar year.

38 (d) The committee makes contributions to five or more
39 candidates.

1 (e) The committee is not a candidate-controlled committee
2 pursuant to Section 82016.

3
4 Article 4. Clean Money
5

6 91071. (a) An office-qualified candidate qualifies as a
7 participating candidate for the primary election campaign period
8 if the following requirements are met:

9 (1) The candidate files a declaration with the ~~commission~~
10 *Commission* that the candidate has complied and will comply
11 with all of the requirements of this act, including the requirement
12 that during the exploratory period and the qualifying period the
13 candidate not accept or spend private contributions from any
14 source other than seed money contributions, Clean Money funds,
15 and political party funds as specified in Section 91123.

16 (2) The candidate meets the following qualifying contribution
17 requirements before the close of the qualifying period:

18 (A) The office-qualified party candidate collects at least the
19 following number of qualifying contributions:

20 (i) Five hundred qualifying contributions for a candidate
21 running for the office of Member of the Assembly.

22 (ii) One thousand qualifying contributions for a candidate
23 running for the office of Member of the State Senate.

24 (iii) One thousand five hundred qualifying contributions for a
25 candidate running for the office of member of the State Board of
26 Equalization.

27 (iv) Seven thousand five hundred qualifying contributions for
28 a candidate running for any statewide office other than Governor.

29 (v) Twenty-five thousand qualifying contributions for a
30 candidate running for the office of Governor.

31 (B) No registered voter shall provide more than one qualifying
32 contribution for each office for which he or she is eligible to
33 vote.

34 (C) Each qualifying contribution shall be acknowledged by a
35 receipt to the contributor, with a copy submitted to the
36 ~~commission~~ *Commission* by the candidate. The receipt shall
37 include the contributor's signature, printed name, and home
38 address, the date, and the name of the candidate on whose behalf
39 the contribution is made. In addition, the receipt shall indicate by
40 the contributor's signature that the contributor understands that

1 he or she may contribute a qualifying contribution to only one
2 candidate for each office for which the contributor is eligible to
3 vote, that the purpose of the qualifying contribution is to help the
4 candidate qualify for Clean Money campaign funding, and that
5 the contribution is made without coercion or reimbursement.

6 (D) A contribution submitted as a qualifying contribution that
7 does not include a signed and fully completed receipt shall not be
8 counted as a qualifying contribution.

9 (E) All five-dollar (\$5) qualifying contributions, whether in
10 the form of cash, check, or money order made out to the
11 candidate's campaign account, shall be deposited by the
12 candidate in the candidate's campaign account.

13 (F) All qualifying contributions' signed receipts shall be sent
14 to the ~~commission~~ *Commission* and shall be accompanied by a
15 check from the candidate's campaign account for the total
16 amount of qualifying contribution ~~moneys~~ *funds* received for
17 deposit in the Clean Money Fund. This submission shall be
18 accompanied by a signed statement from the candidate indicating
19 that all of the information on the qualifying contribution receipts
20 is complete and accurate to the best of the candidate's knowledge
21 and that the amount of the enclosed check is equal to the sum of
22 all of the five-dollar (\$5) qualifying contributions the candidate
23 has received.

24 (b) ~~A party-qualified candidate~~ *candidate for state elective*
25 *office* qualifies as a participating candidate for the general
26 election campaign period if both of the following requirements
27 are met:

28 (1) The candidate met all of the applicable requirements and
29 filed a declaration with the ~~commission~~ *Commission* that the
30 candidate has fulfilled and will fulfill all of the requirements of a
31 participating candidate as stated in this act.

32 ~~(2) As a participating candidate from an office-qualified party~~

33 (2) *As a participating party candidate for elective state office*
34 during the primary election campaign period, the candidate had
35 the highest number of votes of the candidates contesting the
36 primary election from the candidate's respective party and,
37 therefore, won the party's nomination.

38 91073. A qualified candidate shall collect at least one half of
39 the number of ~~signatures~~ *qualifying contributions* as required for
40 an office-qualified candidate for the same office. A qualified

1 candidate may show a greater base of support by collecting
2 double the amount of signatures as required for an
3 office-qualified candidate to become a performance-qualified
4 candidate. The candidate shall also file a declaration with the
5 ~~commission~~ *Commission* that the candidate has complied and
6 will comply with all of the requirements of this act. ~~For a~~

7 (b) *An independent candidate who does not run in a primary;*
8 ~~the — qualifying — period — begins~~ *may become a*
9 *performance-qualified candidate by collecting twice as many*
10 *signatures as required of an office-qualified candidate. The*
11 *qualifying period for such candidates shall begin any time after*
12 *January 1 of the election year and — lasts shall last 180 days,*
13 *except that it shall end no later than 90 days before the general*
14 *election. A candidate who is not an office-qualified candidate*
15 *shall notify the commission within 24 hours of the day when the*
16 *candidate has begun collecting qualifying contributions. The*
17 *candidate shall also file a declaration with the Commission that*
18 *he or she has complied and will comply with all of the*
19 *requirements of this chapter.*

20 91075. During the first election that occurs after the effective
21 date of this act, a candidate *for elective state office* may be
22 certified as a participating candidate, notwithstanding the
23 acceptance of contributions or making of expenditures from
24 private funds before the date of enactment that would, absent this
25 section, disqualify the candidate as a participating candidate,
26 provided that any private funds accepted but not expended before
27 the effective date of this act meet any of the following criteria:

- 28 (a) Are returned to the contributor.
29 (b) Are held in a special campaign account and used only for
30 retiring a debt from a previous campaign.
31 (c) Are submitted to the ~~commission~~ *Commission* for deposit
32 in the Clean Money Fund.

33 91077. A participating candidate who accepts any benefits
34 during the primary election campaign period shall comply with
35 all of the requirements of this act through the general election
36 campaign period whether the candidate continues to accept
37 benefits or not.

38 91079. (a) During the primary and general election campaign
39 periods, a participating candidate who has voluntarily agreed to
40 participate in, and has become eligible for, Clean Money

benefits, shall not accept private contributions from any source other than the candidate's political party as specified in Section 91123.

(b) During the qualifying period and the primary and general election campaign periods, a participating candidate who has voluntarily agreed to participate in, and has become eligible for, Clean Money benefits shall not solicit or receive political contributions for any other candidate or for any political party or other political committee.

(c) No person shall make a contribution in the name of another person. A participating candidate who receives a qualifying contribution or a seed money contribution that is not from the person listed on the receipt required by subparagraph (D) of paragraph (2) of subdivision (a) of Section 91071 shall be liable to pay the ~~commission~~ *Commission* the entire amount of the inaccurately identified contribution, in addition to any penalties.

(d) During the primary and general election campaign periods, a participating candidate shall pay for all of the candidate's campaign expenditures, except petty cash expenditures, by means of a "Clean Money Debit Card" issued by the ~~commission~~ *Commission*, as authorized under Section 91137.

(e) Eligible candidates shall furnish complete campaign records, including all records of seed money contributions and qualifying contributions, to the ~~commission~~ *Commission* at regular filing times. Candidates shall cooperate with any audit or examination by the ~~commission~~ *Commission*, the Franchise Tax Board, or any enforcement agency.

91081. (a) During an election, each participating candidate shall conduct all campaign financial activities through a single campaign account.

(b) Notwithstanding Section 85201, a participating candidate may maintain a campaign account other than the campaign account described in subdivision (a) if the other campaign account is for the purpose of retiring a campaign debt that was incurred during a previous election campaign in which the candidate was not a participating candidate.

(c) Contributions for the purposes of retiring a previous campaign debt that are deposited in the "other campaign account" described in subdivision (b) shall not be considered "contributions" to the candidate's current campaign. Those

1 contributions shall only be raised during the six-month period
2 following the date of the election.

3 (d) Participating candidates shall file reports of financial
4 activity related to the current election cycle separately from
5 reports of financial activity related to previous election cycles.

6 91083. (a) Participating candidates shall use their Clean
7 Money funds only for direct campaign purposes.

8 (b) A participating candidate shall not use Clean Money funds
9 for any of the following:

10 (1) Costs of legal defense in any campaign law enforcement
11 proceeding under this act.

12 (2) Indirect campaign purposes, including, but not limited to,
13 the following:

14 (A) The candidate's personal support or compensation to the
15 candidate or the candidate's family.

16 (B) The candidate's personal appearance.

17 (C) Capital assets having a value in excess of five hundred
18 dollars (\$500) and useful life extending beyond the end of the
19 current election period determined in accordance with generally
20 accepted accounting principles, *except that a candidate may*
21 *purchase computer-related assets worth \$1,000 or less.*

22 (D) A contribution or loan to the campaign committee of
23 another candidate or to a party committee or other political
24 committee.

25 (E) An independent expenditure.

26 (F) A gift in excess of twenty-five dollars (\$25) per person.

27 (G) Any payment or transfer for which compensating value is
28 not received.

29 91085. (a) Personal funds contributed as seed money by a
30 candidate seeking to become eligible as a participating candidate
31 or by adult members of the candidate's family shall not exceed
32 the maximum of one hundred dollars (\$100) per contributor.

33 (b) Personal funds shall not be used to meet the qualifying
34 contribution requirement except for one five-dollar (\$5)
35 contribution from the candidate and one five-dollar (\$5)
36 contribution from the candidate's spouse.

37 91087. (a) The only private contributions a candidate seeking
38 to become eligible for Clean Money funding shall accept, other
39 than qualifying contributions and limited contributions from the
40 candidate's political party as specified in Section 91123, are seed

1 money contributions contributed by duly registered voters in the
2 district in which the candidate is running for election prior to the
3 end of the qualifying period.

4 (b) A seed money contribution shall not exceed one hundred
5 dollars (\$100) per donor, and the aggregate amount of seed
6 money contributions accepted by a candidate seeking to become
7 eligible for Clean Money funding shall not exceed:

8 (1) Ten thousand dollars (\$10,000) for a candidate running for
9 the office of Member of the Assembly.

10 (2) Twenty thousand dollars (\$20,000) for a candidate running
11 for the office of Member of the State Senate.

12 (3) Thirty thousand dollars (\$30,000) for a candidate running
13 for the office of member of the State Board of Equalization.

14 (4) Seventy-five thousand dollars (\$75,000) for a candidate
15 running for a statewide office other than Governor.

16 (5) Two hundred fifty thousand dollars (\$250,000) for a
17 candidate running for the office of Governor.

18 (c) Receipts for seed money contributions under twenty-five
19 dollars (\$25) shall include the contributor's signature, printed
20 name, street address, and ZIP Code. Receipts for seed money
21 contributions of twenty-five dollars (\$25) or more shall also
22 include the contributor's occupation and name of employer.
23 Contributions shall not be retained if the required disclosure
24 information is not received.

25 (d) Seed money shall be spent only during the exploratory and
26 qualifying periods. Seed money shall not be spent during the
27 primary or general election campaign periods. Any unspent seed
28 money shall be turned over to the commission for deposit in the
29 Clean Money Fund.

30 (e) Within 72 hours after the close of the qualifying period,
31 candidates seeking to become eligible for Clean Money funding
32 shall do both of the following:

33 (1) Fully disclose all seed money contributions and
34 expenditures to the commission.

35 (2) Turn over to the ~~commission~~ *Commission* for deposit in the
36 Clean Money Fund any seed money the candidate has raised
37 during the exploratory period that exceeds the aggregate seed
38 money limit.

39 91091. Participating candidates in contested races shall agree
40 to participate in at least one public debate during a contested

1 primary election and two *public* debates during a contested
2 general election, *to be conducted pursuant to regulations*
3 *promulgated by the Commission.*

4 91093. (a) No more than five days after a candidate applies
5 for Clean Money benefits, the ~~commission~~ *Commission* shall
6 certify that the candidate is or is not eligible. Eligibility may be
7 revoked if the candidate violates the requirements of this act, in
8 which case all Clean Money funds shall be repaid.

9 (b) The candidate's request for certification shall be signed by
10 the candidate and the candidate's campaign treasurer under
11 penalty of perjury.

12 (c) The ~~commission's~~ *Commission's* determination is final
13 except that it is subject to a prompt judicial review.

14
15 Article 5. Clean Money Benefits
16

17 91095. ~~(a) Candidates who qualify for Clean Money funding~~
18 ~~for primary and general elections shall:~~

19 ~~(1) Receive Clean Money funding from the commission for~~
20 ~~each election, the amount of which is specified in Section 91099.~~
21 ~~This funding may be used to finance any and all campaign~~
22 ~~expenses during the particular campaign period for which it was~~
23 ~~allocated.~~

24 ~~(2) If an office-qualified candidate or a performance-qualified~~
25 ~~candidate showing a broad base of support, receive additional~~
26 ~~Clean Money funding to match any excess expenditure amount~~
27 ~~spent by a nonparticipating candidate, as disclosed pursuant to~~
28 ~~Section 91107.~~

29 ~~(3) If an office-qualified candidate or a performance-qualified~~
30 ~~candidate showing a broad base of support, receive additional~~
31 ~~Clean Money funding to match any independent expenditure or~~
32 ~~independent electioneering expenditure made in opposition to~~
33 ~~their candidacies or in support of their opponents' candidacies, as~~
34 ~~disclosed pursuant to Section 91109, provided that the dollar~~
35 ~~value of the independent expenditure or independent~~
36 ~~electioneering expenditure, combined with the amount raised or~~
37 ~~received thus far by any opposing candidate who benefits from~~
38 ~~the independent expenditure or independent electioneering~~
39 ~~expenditure, exceeds the original Clean Money funding amount~~
40 ~~received by the participating candidate.~~

~~(b) The maximum aggregate amount of funding a participating office-qualified candidate or a performance-qualified candidate showing a broad base of support shall receive to match independent expenditures and excess expenditures of nonparticipating candidates shall be no more than five times the original amount of Clean Money funding allocated to a participating candidate for a particular primary or general election campaign period.~~

~~(c) A qualified candidate shall be entitled to raise additional private funds, subject to the contribution limitations imposed on nonparticipating candidates, in an amount not to exceed what an office-qualified candidate or a performance-qualified candidate for the same office is entitled to receive in Clean Money funding as set forth in subdivisions (a) and (b).~~

91095. *(a) Candidates for elective state office who qualify for Clean Money funding for primary and general elections shall:*

(1) Receive Clean Money funding from the Commission for each election in an amount specified by Section 91099. This funding may be used to finance campaign expenses during the particular campaign period for which it was allocated consistent with Section 91081. In any election in which there are initially no adequately funded competing candidates, the participating performance-qualified candidate shall receive 20 percent of the base funding amount specified in Section 91099. If a competing candidate in the same election later becomes an adequately funded candidate, those candidate shall receive additional Clean Money funds sufficient to equal the normal base amount of Clean Money funding allocated pursuant to Section 91099.

(2) Receive, if a performance-qualified candidate, additional Clean Money funding to match any excess expenditure by a nonparticipating candidate in the election, as specified in Section 91107, provided that the nonparticipating candidate's aggregate effective expenditures exceed the previous highest aggregate effective expenditures of any candidate in the race. The excess is defined as the amount the new expenditure causes the nonparticipating candidate's aggregate effective expenditures to exceed the previous highest effective expenditures of any candidate in the election.

1 (3) Receive, if a performance-qualified candidate, additional
2 Clean Money funding to match any excess independent
3 expenditure made in support of opponents' candidacies in their
4 race, as specified in Section 91109, provided that the expenditure
5 makes the aggregate effective expenditures of any opposing
6 candidate who benefits from the independent expenditure exceed
7 the previous highest aggregate effective expenditures of any
8 candidate in the race. The excess is defined as the amount the
9 independent expenditure causes the opposing candidate's
10 aggregate effective expenditures to exceed the previous highest
11 effective expenditures of any candidate in the election.

12 (4) Receive, if a performance-qualified candidate, additional
13 Clean Money funding to match any excess independent
14 expenditure made in opposition to their candidacy, as specified
15 in Section 91109, provided that the expenditure makes the new
16 aggregate effective expenditures of any candidate running for
17 that office exceed the highest aggregate effective expenditures of
18 any candidate running for that office. The excess is defined as the
19 amount the independent expenditure causes the opposing
20 candidate's aggregate effective expenditures to exceed the
21 previous highest effective expenditures of any candidate running
22 for that office.

23 (5) Receive, if a performance-qualified candidate running in a
24 primary election, additional Clean Money funding to match 50
25 percent of any excess effective expenditures by either
26 nonparticipating or participating candidates running for the
27 same office outside of their party's primary, as disclosed
28 pursuant to Section 91107, provided that the new aggregate
29 effective expenditures exceeds the highest aggregate effective
30 expenditures of any candidate running for that office. The excess
31 is defined as the amount the new effective expenditure causes the
32 nonparticipating candidate's aggregate effective expenditures to
33 exceed the previous highest effective expenditures of any
34 candidate running for that office. If no party has more than one
35 adequately-funded candidate running for their primary, then the
36 candidate shall receive 100 percent of any excess effective
37 expenditures spent by either nonparticipating or participating
38 candidates running for the same office outside of their party's
39 primary.

1 **(b)** *The maximum aggregate amount of funding a participating*
2 *performance-qualified candidate shall receive to match*
3 *independent expenditures and excess expenditures of*
4 *nonparticipating candidates shall not exceed five times the base*
5 *amount of Clean Money funding allocated to*
6 *performance-qualified candidate pursuant to Section 91099 for a*
7 *particular primary or general election campaign period, except*
8 *that for the office of Governor, the amount shall be no more than*
9 *four times the base amount of Clean Money funding allocated to*
10 *a performance-qualified candidate pursuant to Section 91099.*

11 91095.5. **(a)** *Independent expenditures against a*
12 *participating candidate shall be treated as expenditures of every*
13 *other candidate running for that office for the purposes of*
14 *Section 91095.*

15 **(b)** *Independent expenditures in favor of one or more*
16 *non-participating candidates running for an office shall be*
17 *treated as expenditures of those non-participating candidates for*
18 *the purpose of Section 91095.*

19 **(c)** *Independent expenditures in favor of a participating*
20 *candidate shall be treated, for every other participating*
21 *candidate running for that office, as though the independent*
22 *expenditures were an expenditure of a nonparticipating*
23 *opponent, for purposes of Section 91095.*

24 **(d)** *Expenditures by a non-participating candidate in a*
25 *primary election against a participating candidate running for*
26 *that office in another party's primary shall be treated as an*
27 *independent expenditure against that participating candidate.*

28 **(e)** *The Commission shall promulgate regulations allocating*
29 *the share of expenditures that reference or depict more than one*
30 *candidate for the purposes of Section 91095.*

31 91097. **(a)** *An eligible qualified or office-qualified candidate*
32 *shall receive the candidate's Clean Money funding for the*
33 *primary election campaign period on the date on which the*
34 ~~commission~~ *Commission certifies the candidate as a participating*
35 *candidate. This certification shall take place no later than five*
36 *days after the candidate has submitted the required number of*
37 *qualifying contribution receipts, a check for the total amount of*
38 *qualifying contributions collected, and a declaration stating that*
39 *the candidate has complied with all other requirements for*

1 eligibility as a participating candidate, but no earlier than the
2 beginning of the primary election campaign period.

3 (b) An eligible qualified or performance-qualified candidate
4 shall receive the candidate's Clean Money funding for the
5 general election campaign period within two business days after
6 certification of the primary election results.

7 (c) A participating candidate for Legislature running in the
8 primary of the dominant party in a one-party dominant district
9 may choose to reallocate a portion of the Clean Money funding
10 amount from the general election period to the primary period.
11 The candidate shall make this choice in a writing submitted to the
12 ~~commission~~ *Commission* with the materials specified in
13 subdivision (a) at the close of the qualifying period. The
14 participating candidate who makes such a choice shall receive an
15 additional amount equal to ~~50~~ 25 percent of the amount specified
16 for the general election for the appropriate office as set forth in
17 subdivision (b) of Section 91099. The amount a participating
18 candidate who makes such a choice shall receive at the beginning
19 of the general election period shall be reduced by ~~50~~ 25 percent.
20 The choice may also affect the amount at which an opposing
21 candidate may be considered to have exceeded the amount of
22 Clean Money funding available to the participating candidate. If
23 a competing participating candidate transfers funds pursuant to
24 this subdivision from the general to the primary election by the
25 close of the qualifying period, any other participating candidate
26 in the same election may transfer the same amount of funds from
27 the general to the primary election by notifying the commission
28 in writing within five days of the close of the qualifying period.
29 *The Commission, by regulation, shall require candidates to*
30 *notify the Commission and affected candidates of these transfers.*

31 91099. (a) For eligible candidates in a primary election:

32 (1) The *base* amount of Clean Money funding for an eligible
33 ~~office-qualified party candidate in a primary, special, or special~~
34 ~~runoff election or for an eligible performance-qualified candidate~~
35 ~~in a special or special runoff election is:~~

36 ~~(A) One hundred thousand dollars (\$100,000) for a candidate~~
37 ~~*performance-qualified party candidate who is facing at least one*~~
38 ~~*adequately funded opponent in a primary, special, or special*~~
39 ~~*runoff election is:*~~

1 (A) *Two hundred fifty thousand dollars (\$250,000) for a*
2 *candidate running for the office of Member of the Assembly.*

3 ~~(B) Two hundred thousand dollars (\$200,000) Five hundred~~
4 ~~*thousand dollars (\$500,000) for a candidate running for the*~~
5 ~~*office of Member of the State Senate.*~~

6 (C) Two hundred fifty thousand dollars (\$250,000) for a
7 candidate running for the office of member of the State Board of
8 Equalization.

9 ~~(D) One million dollars (\$1,000,000) Two million dollars~~
10 ~~*(\$2,000,000) for a candidate running for a statewide office other*~~
11 ~~*than Governor or Attorney General.*~~

12 ~~(E) One million five hundred thousand dollars (\$1,500,000)~~
13 ~~*for a candidate running for Attorney General.*~~

14 ~~(F) Six million dollars (\$6,000,000) for a candidate running~~
15 ~~*for Governor.*~~

16 (2) The amount of Clean Money funding for an eligible
17 ~~performance-qualified~~ *eligible qualified* candidate in a primary
18 election is 20 ~~percent of the amount an office-qualified party~~
19 ~~candidate running for the same office could receive. The amount~~
20 ~~of Clean Money funding for an eligible performance-qualified~~
21 ~~candidate in a special or special runoff election is equal to the~~
22 ~~amount an office-qualified candidate running for the same office~~
23 ~~would percent of the base amount that a performance-qualified~~
24 ~~candidate who is facing at least one adequately funded opponent~~
25 ~~would receive.~~

26 ~~(3) The Clean Money funding amount for an eligible candidate~~
27 ~~in a primary election where no other candidates are running in~~
28 ~~any party primary for that seat is 10 percent of the amount~~
29 ~~provided in a contested primary election.~~

30 (b) For eligible candidates in a general election:

31 (1) The *base* amount of Clean Money funding for an eligible
32 ~~performance-qualified candidate in a contested~~ *who is facing at*
33 ~~least one adequately funded opponent in a general election is:~~

34 ~~(A) One hundred fifty thousand dollars (\$150,000) Four~~
35 ~~*hundred thousand dollars (\$400,000) for a candidate running for*~~
36 ~~*the office of Member of the Assembly.*~~

37 ~~(B) Three hundred thousand dollars (\$300,000) Eight hundred~~
38 ~~*thousand dollars (\$800,000) for a candidate running for the*~~
39 ~~*office of Member of the State Senate.*~~

1 (C) ~~Five hundred thousand dollars (\$500,000)~~ *Four hundred*
2 *thousand dollars (\$400,000)* for a candidate running for the
3 office of member of the State Board of Equalization.

4 (D) Two million dollars (\$2,000,000) for a candidate running
5 for a statewide office other than Governor or Attorney General.

6 ~~(E) Three million dollars (\$3,000,000) for a candidate running~~
7 ~~for Attorney General.~~

8 ~~(F) Ten million dollars (\$10,000,000) for a candidate running~~

9 (E) *Fifteen million dollars (\$15,000) for a candidate running*
10 *for Governor.*

11 (2) The amount of Clean Money funding for an eligible
12 qualified candidate in a contested general election is 25 percent
13 of the *base* amount a performance-qualified candidate *who is*
14 *facing at least one adequately funded candidate* running for the
15 same office could receive.

16
17 Article 6. Disclosure Requirements
18

19 91107. (a) If a nonparticipating candidate's total
20 expenditures or promises to make campaign expenditures exceed
21 the amount of Clean Money funding allocated to the candidate's
22 Clean Money opponent or opponents, the candidate shall declare
23 every excess expenditure amount which, in the aggregate, is
24 more than five thousand dollars (\$5,000) to the commission
25 online or electronically within 24 hours of the time the
26 expenditure or promise is made, whichever occurs first.

27 (b) ~~The commission~~ *Commission* may make its own
28 determination as to whether excess expenditures have been made
29 by nonparticipating candidates.

30 (c) Upon receiving an excess expenditure declaration or
31 determining that an excess expenditure has been made, the
32 commission shall immediately release additional Clean Money
33 funding to the opposing participating performance-qualified and
34 office-qualified candidates. The amount released shall be equal to
35 the excess expenditure amount the nonparticipating candidate has
36 spent or has obligated to spend. The maximum aggregate amount
37 of additional funding a participating candidate receives to match
38 the total of independent expenditures and the excess expenditures
39 of nonparticipating candidates is no more than an additional 500

1 percent of the participating candidate's actual initial Clean
2 Money funding allocation for the relevant office.

3 91109. (a) In addition to any other report required by this
4 chapter, a committee, including a political party committee, that
5 is required to file reports pursuant to Section 84605 and that
6 makes independent expenditures of one thousand dollars
7 (\$1,000) or more during an election cycle in connection with a
8 candidate, shall file online or electronically a report with the
9 commission disclosing the making of the independent
10 expenditure. This report shall disclose the same information
11 required by subdivision (b) of Section 84204 and shall be filed
12 within 24 hours of the time the independent expenditure is made.

13 (b) The report to the ~~commission~~ *Commission* shall include a
14 signed statement under penalty of perjury by the person or
15 persons making the independent expenditure identifying the
16 candidate or candidates whom the independent expenditure is
17 intended to help elect or defeat and affirming that the expenditure
18 is independent and whether it is coordinated with a candidate or
19 a political party.

20 (c) Any individual or organization that fails to file the required
21 report to the ~~commission~~ *Commission* or provides materially
22 false information in a report filed pursuant to subdivision (a) or
23 (b) may be fined up to three times the amount of the independent
24 expenditure, in addition to any other remedies provided by this
25 act.

26 (d) Upon receiving a report that an independent expenditure
27 has been made or obligated to be made, the commission shall
28 immediately release additional Clean Money funding, equal in
29 amount to the cost of the independent expenditure, to all
30 participating candidates whom the independent expenditure is
31 intended to oppose or defeat in that specific primary or general
32 election, provided that:

33 (1) The dollar value of the independent expenditure, combined
34 with the amount raised or received thus far by any opposing
35 candidate who benefits from the independent expenditure,
36 exceeds the original actual Clean Money funding amount
37 received by the participating candidate.

38 (2) The maximum aggregate amount of additional funding a
39 participating candidate receives to match the total of independent
40 expenditures and the excess expenditures of nonparticipating

1 candidates is no more than an additional 500 percent of the
2 participating candidate's initial Clean Money funding allocation.

3 (e) A controlled committee of a candidate shall not make
4 independent expenditures and shall not contribute funds to other
5 expenditures to support or oppose other candidates.

6 91111. (a) In addition to any other report required by this
7 chapter, a committee, including a political party committee, that
8 is required to file reports pursuant to Section 84605 and that
9 makes independent electioneering expenditures of one thousand
10 dollars (\$1,000) or more during an election cycle in connection
11 with a candidate, shall file online or electronically a report with
12 the commission disclosing the making of the independent
13 electioneering expenditure. This report shall disclose the same
14 information required by subdivision (b) of Section 84204 and
15 shall be filed within 24 hours of the time the independent
16 expenditure is made.

17 (b) The report to the ~~commission~~ *Commission* shall include a
18 signed statement under penalty of perjury by the person or
19 persons making the independent electioneering expenditure
20 identifying the candidate or candidates whom the independent
21 electioneering expenditure is intended to help elect or defeat and
22 affirming that the expenditure is independent and whether it is
23 coordinated with a candidate or a political party.

24 (c) Any individual or organization that fails to file the required
25 report to the commission or provides materially false information
26 in a report filed pursuant to subdivision (a) or (b) may be fined
27 up to three times the amount of the independent electioneering
28 expenditure, in addition to any other remedies provided by this
29 act.

30 (d) Upon receiving a report that an independent electioneering
31 expenditure has been made or obligated to be made, the
32 commission shall immediately release additional Clean Money
33 funding, equal in amount to the cost of the independent
34 electioneering expenditure, to all participating candidates whom
35 the independent electioneering expenditure is intended to oppose
36 or defeat in that specific primary or general election, provided
37 that:

38 (1) The dollar value of the independent electioneering
39 expenditure, combined with the amount raised or received thus
40 far by any opposing candidate who benefits from the independent

1 electioneering expenditure, exceeds the original actual Clean
2 Money funding amount received by the participating candidate.

3 (2) The maximum aggregate amount of additional funding a
4 participating candidate receives to match the total of independent
5 electioneering expenditures and the excess expenditures of
6 nonparticipating candidates is no more than an additional 500
7 percent of the participating candidate's initial Clean Money
8 funding allocation.

9 *91112. If an inadequately funded candidate receives a*
10 *contribution which makes him or her an adequately funded*
11 *candidate, within 24 hours he or she shall electronically disclose*
12 *to the Commission the cumulative amount of contributions*
13 *received. Within 24 hours of receipt of this disclosure, the*
14 *Commission shall deposit into the Clean Money accounts of the*
15 *participating candidates in that election an amount sufficient to*
16 *equal the base amounts specified in Section 91099.*

17 91113. All broadcast and print advertisements placed by
18 candidates or their committees shall include a clear written or
19 spoken statement indicating that the candidate has approved of
20 the contents of the advertisement.

21
22 Article 7. Legal Defense, Officeholder, and Inaugural Funds
23

24 91115. (a) A candidate or elected state officer may establish
25 a separate account to defray attorney's fees and other related
26 legal costs incurred for the candidate's or elected state officer's
27 legal defense if the candidate or elected state officer is subject to
28 one or more civil or criminal proceedings or administrative
29 proceedings arising directly out of the conduct of an election
30 campaign, the electoral process, or the performance of the elected
31 state officer's governmental activities and duties. These funds
32 may be used only to defray those attorney's fees and other related
33 legal costs.

34 (b) An elected state officer may establish a separate account to
35 defray officeholder expenses that are set forth by the
36 commission. No funds from this account shall be used for a mass
37 mailing. No elected state officer accounts shall exceed fifty
38 thousand dollars (\$50,000) at any time.

39 (c) A Governor, Lieutenant Governor, or other statewide
40 officer may establish an inaugural account to cover the cost of

1 events, celebrations, gatherings, and communications that take
2 place as part of, or in honor of, the officer's inauguration.

3 (d) A candidate or elected state officer may receive
4 contributions of up to five hundred dollars (\$500) per person per
5 year in the aggregate for accounts in subdivisions (a), (b), and
6 (c). All contributions, whether cash or in kind, shall be reported
7 in a manner prescribed by the ~~commission~~ *Commission*.
8 Contributions to such funds shall not be considered campaign
9 contributions.

10 (e) Once the legal dispute is resolved or the elected state
11 officer leaves office, the candidate shall dispose of any funds
12 remaining after all expenses associated with the dispute are
13 discharged or after the elected state officer leaves office, for one
14 or more of the purposes set forth in paragraphs (1) to (5),
15 inclusive, of subdivision (b) of Section 89519.

16
17 Article 8. Restrictions on Candidates
18

19 91119. A nonparticipating candidate may transfer campaign
20 funds from one controlled committee to a controlled committee
21 for elective state office of the same nonparticipating candidate.
22 Contributions transferred shall be attributed to specific
23 contributors using a "last in, first out" or "first in, first out"
24 accounting method.

25 91121. A nonparticipating candidate may accept a
26 contribution after the date of the election only to the extent that
27 the contribution does not exceed net debts outstanding from the
28 election and the contribution does not otherwise exceed the
29 applicable contribution limit for that election. All debts shall be
30 repaid or written off no later than 90 days after the general
31 election.

32 91123. Candidates may accept monetary or in-kind
33 contributions from political parties provided that the aggregate
34 amount of such contributions from all political party committees
35 combined does not exceed the equivalent of 5 percent of the
36 original Clean Money financing allotment for that office for that
37 election. Such expenditures shall not count against the moneys
38 spent by Clean Money candidates.

Article 9. Ballot Pamphlet Statements

91127. The Secretary of State shall designate in the state ballot pamphlet and on any Internet Web site listing of candidates maintained by any government agency including, but not limited, to the Secretary of State those candidates who have voluntarily agreed to be participating candidates.

91131. (a) A candidate for statewide elective office who is a participating candidate may place a statement in the state ballot pamphlet, and a candidate for the Assembly, Senate, or Board of Equalization who is a participating candidate may place a statement in the voter information portion of the sample ballot, that does not exceed 250 words. The statement shall not make any reference to any opponent of the candidate. The candidate may also provide a list of up to 10 endorsers for placement in the state ballot pamphlet or sample ballot, as appropriate. This statement and list of endorsers shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets and by county elections officials for the preparation of sample ballots.

(b) A nonparticipating candidate for statewide elective office may pay to place a statement in the state ballot pamphlet that does not exceed 250 words, and a nonparticipating candidate for the Assembly, Senate, or Board of Equalization may pay to place a statement in the voter information portion of the sample ballot that does not exceed 250 words. A nonparticipating candidate may also pay to place a list of up to 10 endorsers in the state ballot pamphlet or sample ballot, as appropriate. The statement shall not make any reference to any opponent of the candidate. This statement and list of endorsers shall be submitted in accordance with timeframes and procedures set forth by the Secretary of State for the preparation of the state ballot pamphlets and by county elections officials for the preparation of sample ballots. The nonparticipating candidate shall be charged the pro rata cost of printing, handling, translating, and mailing any campaign statement and list of endorsers provided pursuant to this subdivision.

Article 10. Appropriations for the Clean Money Fund

91133. (a) A special, dedicated, nonlapsing Clean Money Fund is created in the State Treasury. Commencing with the fiscal year beginning on July 1, 2008, an amount equal to one cent (\$0.01) per day times the number of California residents 18 years of age or older is hereby transferred annually from the General Fund to the Clean Money Fund and, notwithstanding Section 13340, continuously appropriated from the Clean Money Fund to the commission for expenditure for the purpose of providing public financing for the election campaigns of certified participating candidates during primary and general campaign periods.

(b) Funding for the administrative and enforcement costs of the commission related to this act shall be subject to appropriation by the Legislature.

91135. Other sources of revenue to be deposited in the Clean Money Fund shall include all of the following:

(a) The qualifying contributions required of candidates seeking to become certified as participating candidates and candidates' excess qualifying contributions.

(b) The excess seed money contributions of candidates seeking to become certified as participating candidates.

(c) Unspent funds distributed to any participating candidate who does not remain a candidate until the primary or general election for which they were distributed, or funds that remain unspent by a participating candidate following the date of the primary or general election for which they were distributed.

(d) Voluntary donations made directly to the Clean Money Fund.

(e) Other funds appropriated by the Legislature.

(f) Any interest generated by the Clean Money Fund.

(g) Any other sources of revenue from the General Fund or from other sources as determined by the Legislature.

91136. The amount of moneys in the Clean Money Fund shall not exceed four times the maximum annual contribution specified in subdivision (a) of Section 91133. Any moneys that, if deposited in the Clean Money Fund, would cause the balance in that fund to exceed this limit shall be irrevocably transferred to the General Fund.

Article 11. Administration

91137. (a) Upon a determination that a candidate has met all the requirements for becoming a participating candidate as provided for in this act, the ~~commission~~ *Commission* shall issue to the candidate a card, known as the “Clean Money Debit Card,” and a “line of debit” entitling the candidates and members of the candidate’s staff to draw Clean Money funds from a ~~commission~~ *Commission* account to pay for all campaign costs and expenses up to the amount of Clean Money funding the candidate has received.

(b) Neither a participating candidate nor any other person on behalf of a participating candidate shall pay campaign costs by cash, check, money order, loan, or by any other financial means other than the Clean Money Debit Card.

(c) Cash amounts of one hundred dollars (\$100) or less per day may be drawn on the Clean Money Debit Card and used to pay expenses of no more than twenty-five dollars (\$25) each. Records of all such expenditures shall be maintained and reported to the ~~commission~~ *Commission*.

91139. If the commission determines that there are insufficient funds in the program to fund adequately all candidates eligible for Clean Money funds, the commission shall reduce the grants proportionately to all eligible candidates. If the commission notifies a candidate that the Clean Money funds will be reduced and the candidate has not received any Clean Money funds, the candidate may decide to be a nonparticipating candidate. If a candidate has already received Clean Money funds or wishes to start receiving such funds, a candidate who wishes to collect contributions may do so in amounts up to the contribution limits provided for nonparticipating candidates but shall not collect more than the total of Clean Money funds that the candidate was entitled to receive had there been sufficient funds in the program less the amount of Clean Money funds that will be or have been provided. If, at a later point, the commission determines that adequate funds have become available, candidates, who have not raised private funds, shall receive the funds owed to them.

Article 12. Enforcement

1 91141. (a) If a participating candidate spends or obligates to
2 spend more than the Clean Money funding the candidate is given,
3 and if it is determined by the commission, subject to court
4 review, not to be an amount that had or could have been expected
5 to have a significant impact on the outcome of the election, then
6 the candidate shall repay to the Clean Money Fund an amount
7 equal to the excess.

8 (b) If a participating candidate spends or obligates to spend
9 more than the Clean Money funding the candidate is given, and if
10 that excess amount is determined by the commission, subject to
11 court review, to be an amount that had or could have been
12 expected to have a significant impact on the outcome of the
13 election, then the candidate shall repay to the Clean Money Fund
14 an amount up to 10 times the value of the excess.

15 (c) In addition to the remedies set forth in subdivisions (a) and
16 (b), if a participating candidate spends or obligates to spend more
17 than 110 percent of the candidate's Clean Money funding, he or
18 she shall be disqualified as a candidate, and, if
19 contemporaneously in elective office, shall forfeit that office.
20 Such a candidate shall be prohibited from running for reelection
21 or for any elective office for which the election is to be held less
22 than four years following the end of the month of the election
23 relating to which the violation occurred.

24 91143. It is unlawful for candidates to knowingly accept
25 more benefits than those to which they are entitled, spend more
26 than the amount of Clean Money funding they have received, or
27 misuse such benefits or Clean Money funding.

28 91145. Any person who knowingly or willfully violates any
29 provision of this chapter is guilty of a misdemeanor. Any person
30 who knowingly or willfully causes any other person to violate
31 any provision of this chapter, or who aids and abets any other
32 person in the violation of any provision of this chapter shall be
33 liable under this section.

34 91147. Prosecution for a violation of any provision of this
35 chapter shall be commenced within four years after the date on
36 which the violation occurred.

37 91149. No person convicted of a misdemeanor under this
38 chapter shall act as a lobbyist or state contractor, or run for
39 elective office, for a period of four years following the date of

1 conviction unless the court at the time of sentencing specifically
2 determines that this provision shall not be applicable.

3
4 Article 13. Cost of Living

5
6 91153. The ~~commission~~ *Commission* shall adjust the
7 contribution limitations, voluntary spending limits, seed money
8 provisions, and the Clean Money Fund provisions in January of
9 every odd-numbered year to reflect any increase or decrease in
10 the Consumer Price Index and the increase in registered voters.
11 Those adjustments shall be rounded to the nearest ten dollars
12 (\$10) for the seed money provisions, one hundred dollars (\$100)
13 for the limitations on contributions, and one thousand dollars
14 (\$1,000) for the Clean Money provisions.

15 91157. On or before December 6 of each year ending in one,
16 the ~~commission~~ *Commission* shall prepare and provide to each
17 Member of the Legislature and to the standing committees in the
18 Assembly and the Senate with jurisdiction over elections a report
19 containing a review and analysis of the functioning of the Clean
20 Money Fund and the ~~commission's~~ *Commission's*
21 recommendations as to whether additional adjustments, beyond
22 those specified in Section 91153, should be made to the
23 voluntary spending limits, seed money provisions, and Clean
24 Money Fund provisions of this chapter, and suggesting other
25 changes that are advisable to further the purposes of this act. The
26 ~~commission's~~ *Commission's* recommendations shall be based
27 upon an analysis of the disclosures of campaign contributions
28 and expenditures made by nonparticipating candidates in the
29 preceding decade and other campaign financing information
30 available, and this analysis shall be set forth in detail in the
31 report.

32 SEC. 5. The provisions of Section 81012 of the Government
33 Code, which allow legislative amendments to the Political
34 Reform Act of 1974, shall apply to all of the provisions of this
35 act that are placed on the June 3, 2008, ballot.

36 SEC. 6. The Secretary of State shall, pursuant to subdivision
37 (b) of Section 81012 of the Government Code, submit Sections 3,
38 4, 5, and 7 of this act for approval by the voters at the June 3,
39 2008, statewide primary election, notwithstanding Section 9040
40 of the Elections Code.

1 SEC. 7. The section of this act that adds Chapter 12
2 (commencing with Section 91015) to Title 9 of the Government
3 Code shall be deemed to amend the Political Reform Act of 1974
4 as amended and all of the provisions of the Political Reform Act
5 of 1974 as amended that do not conflict with Chapter 12 shall
6 apply to the provisions of that chapter.

7 SEC. 8. The provisions of this act are severable. If any
8 provision of this act or its application is held invalid, that
9 invalidity shall not affect other provisions or applications that can
10 be given effect without the invalid provision or application.